

# Three Real Estate Investors Plead Guilty to \$119M Mortgage Fraud Conspiracy

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## **For Immediate Release**

Office of Public Affairs

Three real estate investors have pleaded guilty to engaging in an extensive, multi-year conspiracy to fraudulently obtain a \$74 million loan and a \$45 million loan and fraudulently acquire multifamily properties.

Fredrick Schulman, 72, of New York, and Chaim “Eli” Puret, 29, of New Jersey, pleaded guilty today to one count of conspiracy to commit wire fraud affecting a financial institution. Moshe “Mark” Silber, 34, of New York, pleaded guilty on July 9 to one count of conspiracy to commit wire fraud affecting a financial institution.

According to court documents, between 2018 and 2020, Silber, Schulman, and Puret conspired with others to deceive lenders into issuing a mortgage loan for a multifamily property and Fannie Mae into funding or purchasing the mortgage loan. Silber and Schulman were managing members of Rhodium Capital Advisors, an entity that was involved in the acquisition and management of Williamsburg of Cincinnati, an apartment complex in Cincinnati, Ohio. Puret was one of the owners of commercial property Troy Technology Park in Troy, Michigan. Silber, Schulman, Puret, and their co-conspirators provided the lenders and Fannie Mae with falsified documents, including a purchase contract with an inflated purchase price and other fraudulent documents.

In March 2019, Williamsburg of Cincinnati was acquired for \$70 million. However, Silber, Schulman, and other co-conspirators utilized a stolen identity to present a lender and Fannie Mae with a purchase and sale contract for \$95.85 million and other fraudulent documents. On March 8, 2019, two closings were performed, one for the true \$70 million sales price and another for the fraudulent \$95.85 million sales price presented to the lenders. Based on the co-conspirators’ false statements, the lender and Fannie Mae funded a loan in the amount of \$74.25 million for the purchase of Williamsburg of Cincinnati.

In September 2020, Troy Technology Park was acquired by Puret and co-conspirators for \$42.7 million. However, to support an inflated purchase price of \$70 million, Puret

and his co-conspirators submitted to the lender and appraiser a fraudulent letter of intent to purchase the property from another party for \$68.8 million and other fraudulent documents. Based on the fraudulent documents, the lender funded a loan for \$45 million. To conceal the fraudulent nature of the transaction, Poretz and his co-conspirators arranged for a short-term \$30 million loan, which was used to make it appear that they had the funds needed to close on the sale. On Sept. 25, 2020, a title company based in Lakewood, New Jersey, performed two closings, one for the true \$42.7 million sales price and another for the fraudulent \$70 million sales price presented to the lender.

Silber, Schulman, and Poretz are scheduled to be sentenced on Dec. 3 and each face a maximum penalty of five years in prison. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Principal Deputy Assistant Attorney General Nicole M. Argentieri, head of the Justice Department's Criminal Division; U.S. Attorney Philip R. Sellinger for the District of New Jersey; Inspector General Brian M. Tomney of the Federal Housing Finance Agency Office of Inspector General (FHFA-OIG); and Postal Inspector in Charge Eric Shen of the U.S. Postal Inspection Service's (USPIS) Criminal Investigations Group made the announcement.

The FHFA-OIG and USPIS are investigating the case.

Trial Attorney Siji Moore of the Criminal Division's Fraud Section and Assistant U.S. Attorney Martha Nye for the District of New Jersey are prosecuting the case.

Anyone with information concerning similar multifamily or commercial mortgage fraud can report it by contacting the FHFA-OIG Hotline at 800-793-7724 or via the web at [www.fhfaoig.gov/ReportFraud#hotlineform](http://www.fhfaoig.gov/ReportFraud#hotlineform).

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